

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF GUAM

In Re:)
Polaris Guam, LLC dba Verona Resort and Spa) 20-00065
dba BELLAGIO SUITES & SPA,)
EIN: xx-xxx7249) Chapter 7
)
)
)
Debtor(s).)

TRUSTEE INTERIM REPORT

The Trustee, hereby files her Individual Estate Property Record and Report (Form 1) for the twelve month reporting period ending 09/30/2021. This report is intended to provide parties in interest with a general accounting of the Trustee's case administration.

Column 1: Asset Description (Scheduled and Unscheduled Property): This is a listing of all the Debtor's interest in assets from the petition, schedules, and statement of financial affairs. Also listed are unscheduled assets discovered by the Trustee, income of the estate (including post-petition interest on bank accounts), and claims which the estate may possess.

Column 2: Petition/Unscheduled Values: Column 2 reflects the dollar value of each asset, as first assigned by Debtor in the filed Schedules, or by the Trustee's initial estimate of values in the case of unscheduled assets. Scheduled values are often unreliable and may change significantly throughout the course of Trustee's investigation and administration.

Column 3: Estimated Net Value (Value Determined by Trustee Less Liens, Exemptions and Other Costs: Column 3 reflects the value of each asset as determined by the Trustee minus any appropriate adjustment. This value represents the Trustee's best initial estimate of net sale or liquidation value of the asset. Actual liquidation value may differ as a result of market conditions at the time of sale, costs of recovery, storage, insurance and sale.

Column 4: Property Formally Abandoned: If this column is blank it means either that (1) Trustee intends to administer the asset, (2) Trustee has not decided, or (3) Trustee has already liquidated the asset. An entry of "OA" indicates the property has or will be formally abandoned under 11 U.S.C. 554 (a).

Column 5: Sales/Funds Received by the Estate: Column 5 indicates the gross amount of proceeds received from the liquidation of each asset regardless of amounts paid out to secured creditors or for expenses.

Column 6: Asset Fully Administered/Gross Value of Remaining Assets: When an asset has been fully administered either by liquidation, formal abandonment, or the Trustee has reached a decision to abandon at closing of the estate, the entry "FA" will be listed in Column 6. For assets still being administered, column 6 reflects the Trustee's current best estimate of the **gross** value. Actual liquidation value may differ as a result of market conditions at the time of sale. Note: The difference between Columns 3 and 5 does not necessarily equal the figure in Column 6.

Other Information: Note that the Trustee has provided information about matters pending in the case and projected date for filing the Trustee's Final Report (TFR).

Dated: November 02, 2021, Guam

Respectfully Submitted,

/s/ Kathlyn Selleck

Kathlyn Selleck, Chapter 7 Trustee

PO Box 315396, Tamuning, GU 96931

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**FORM 1
INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES**

Case No: 20-00065 DPC Judge: Daniel P. Collins Trustee Name: Kathlyn Selleck
Case Name: Polaris Guam LLC Date Filed (f) or Converted (c): 11/03/2020 (f)
341(a) Meeting Date: 05/20/2021
For Period Ending: 09/30/2021 Claims Bar Date:

1	2	3	4	5	6
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Formally Abandoned OA=554(a)	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets
1. Checking Account - First Hawaiian Bank (u)	0.00	135.91		135.91	FA
2. Hotel Property - 188 Tumon Bay Road (u)	11,000,000.00	5,712,000.00		0.00	5,712,000.00
3. 2015 Toyota Sienna (u)	0.00	15,000.00		0.00	15,000.00
4. 2016 Honda Pilot (u)	0.00	15,000.00		0.00	15,000.00
5. 3 shipping containers 40' (u)	0.00	12,000.00		0.00	12,000.00

				Gross Value of Remaining Assets
TOTALS (Excluding Unknown Values)	\$11,000,000.00	\$5,754,135.91		\$135.91 \$5,754,000.00
				(Total Dollar Amount in Column 6)

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

11/3/2020: Involuntary petition filed by Kloppenburg and GTA Teleguam

11/9/2020: Order entered for recusal of Judge Tygencio-Gatewood

11/9/2020: Order to assign Judge Collins to Guam District Court

12/22/2020: Order for relief and Trustee assigned

1/5/2021: Order entered to Employ John Terlaje - Local Counsel

1/12/2021: Order entered to Employ Susan Tius, Pro Hoc Vice- General Counsel

1/14/2021: Status conference with Judge Collins

1/22/2021: Order authorizing retention of Jacques Bronze, Special Counsel

1/25/2021: Letter from counsel Jacques Bronze, to Dept of Revenue requesting Debtor's Tax Return information

2/16/2021: 341 Meeting of Creditors conducted and continued. Debtor not present, Debtor Attorney not present; Official Schedules and Statement of Financial Affairs, Tax Returns, Polaris Guam LLC Financials; Creditors matrix; insurance coverages; list of assets owned by Polaris Guam LLC. Documents are due 3/2/2021.

2/25/2021: Order to employ Rachel Huang of Liu and Partners as special counsel

2/2/2021: Adv. Pro. No. 21-00001 filed against Wonderful Hotels, LLC

2/18/2021: The Court entered an Order Granting Motion For Approval Of Agreement Between Lessor And Trustee approving the Cooperation and Standstill Agreement (the "Agreement") between the Trustee and Lessor subject; to further extensions by the parties

4/8/2021: Continued meeting of creditors, Debtor present, Debtor Attorney not present

4/9/2021: Entry of Appearance Requested. Filed by Fred Shigeru Nishihira Jr on behalf of Department of Revenue and Taxation.

4/21/2021: Status Hearing with Judge Collins; Debtor present,

5/12/2021: Request sent to Guam Office of Attorney General, counsel F. Nishihira for Tax Returns and information

5/19/2021: Debtor's counsel, Darleen Hiton, Entry of Appearance

5/20/2021: Continued meeting of creditors, Debtor's counsel present, Debtor not present; debtor failed to file schedules and statements

6/10/2021: Default judgement for Adversary proceeding 21-00001; title transferred back to the estate of Polaris Guam

6/15/2021: Requested quotes for insurance AXS, Lin Perez, Takagi insurance

6/15/2021: Received 2017 Income Tax Returns from Fred Nishihira, DRT Counsel

6/18/2021: Posted signs at Hotel " Private Property" / "Do Not Enter"; closed sliding glass doors due to pending storm with Kloppenburg employees

6/23/2021: Met with Joey Lopez from CleanShot / Peggy Denny re: hotel air quality and debris removal; Locksmith - Alex - put lock on Front Lobby Door

6/24/2021: 341 Meeting conducted and closed. No statements or schedules provided by Debtor

6/26/2021: Trustee put plywood on broken windows; Locked office with chain and lock

7/1/2021: Senator Moylan's tour and Transpac insurance inspection of hotel

7/2/2021: Trustee delivered 2015 Toyota Sienna and Honda Pilot to Blakes (Richard Kuntz)

7/7/2021: Motion to Sell Property Free and Clear of Liens :Trustee's Motion To Authorize Sale Of Vehicles Free And Clear Of Liens And Claims, Approve Employment and Allow Payment Of Liquidator And For Related Relief

7/15/2021: Adversary cases filed:

Adv. Pro. No. 21-00002 against Chu-Shiang Yao who asserts a lien against the Property securing a purported loan in the original principal amount of \$9,000,000 allegedly made in December, 2019;

Adv. No. No. 21-00003 against Tsai-Hung Chan who asserts multiple liens against the Property securing various purported loans totaling approximately \$3,464,000; some of the lien amounts file appear to be duplicative

Adv. Pro. No. 21-00004 against Hung-Chien Tsai who asserts a lien against the Property securing a \$2,000,000 loan allegedly made in March, 2018

7/22/2021: Meeting with Debtor counsel Darleen Hiton, and Debtor representative David SU at Hiton's office in Guam; neither debtor nor counsel took possession of files retrieved from Verona office by Trustee

7/27/2021: General Counsel, Susan Tius indicates intent to withdraw from case

7/30/2021: Trustee files motion to Abandon hotel

8/6/2021: Letter from Atty Louie Yanza, express intent to purchase hotel

8/16/2021: Insurance coverage received from Takagi Insurance paid by secured creditor Kloppenburg

8/20/2021: Received roving security agreement with Denanche Security paid by secured creditor Kloppenburg

8/20/2021: Trustee sent email request for carveouts to DRT, F. Nishihira

8/23/2021: Due Diligence inspection at the Verona Hotel with Buyer Engineer Jae Ji and Attorney Louie Yanza

9/10/2020: Meeting with Chuck Choi / Susan Tius re: substitution of general counsel

9/10/2021: Courtesy meeting with Yao rep, Steel Lin, Mike Berman and John Terlaje

9/14/2021: Default against Mr. Tsai, Hung CHIEN was entered by the Clerk of the Court on September

9/15/2021: Hearing on Abandonment Motion, Motion to Abandon Continued to 11/10/2021

9/16/2021: Davis Su/Darleen Hiton inspect office at Verona; Trustee delivered requested documents and files

9/18/2021: Order to sell Vehicles Free and Clear of Liens

9/30/2021: Purchase Sale Agreement Signed, \$11M

10/1/2021: Earnest Money deposits received in Escrow, \$330,000, \$50,000 non-refundable fee paid to Trustee

10/8/2021: Trustee signed Notice of Substitution of Counsel, Choi for Tius

10/12/2021: Bid Procedures motion Filed and served

10/12/2021: Begin removal of junk abandoned cars from hotel property parking lots

10/13/2021: Order entered to employ Robert Steffy, CPA

10/17/2021: Removal of David Su's Porche from lobby of the Verona Hotel

11/10/2021: Hearing scheduled for TRUSTEE'S MOTION TO APPROVE BID PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS AND RELATED RELIEF; MEMORANDUM IN SUPPORT OF MOTION; EXHIBITS "A" AND "B";DECLARATION OF KATHLYN SELLECK

11/16/2021: Competing Bids Due

11/30/2020: Auction date

12/3/2021: Final Approval Hearing requested

RE PROP # 2 -- Buyer executed Purchase and Sale Agreement effective 9/30/2021. Disputed liens of approx. \$14M

RE PROP # 3 -- Undisclosed asset discovered based on information from Guam Dept of Rev and Tax

RE PROP # 4 -- Undisclosed asset discovered based on information from Guam Dept of Rev and Tax

RE PROP # 5 -- 3 shipping containers on the hotel property

Initial Projected Date of Final Report (TFR): 9/30/2022 Current Projected Date of Final Report (TFR): 9/30/2022

Trustee Signature: /s/ Kathlyn Selleck Date: 10/28/2021

Kathlyn Selleck
PO Box 315396
Tamuning, GU 96931

FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 20-00065
Case Name: Polaris Guam LLC

Trustee Name: Kathryn Selleck
Bank Name: Axos Bank
Account Number/CD#: XXXXXX0025
Checking

Taxpayer ID No: XX-XXX7249
For Period Ending: 09/30/2021

Blanket Bond (per case limit): \$125,000
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
			Balance Forward				\$0.00
04/07/21	1	First Hawaiian Bank Maite Banking Center, 400 Route 8, Ste 101 Maite Guam 96910	Close Account	1229-000	\$135.91		\$135.91

COLUMN TOTALS	\$135.91	\$0.00
Less: Bank Transfers/CD's	\$0.00	\$0.00
Subtotal	\$135.91	\$0.00
Less: Payments to Debtors	\$0.00	\$0.00
Net	\$135.91	\$0.00

TOTAL OF ALL ACCOUNTS

	NET DEPOSITS	NET DISBURSEMENTS	ACCOUNT BALANCE
XXXXXX0025 - Checking	\$135.91	\$0.00	\$135.91
	\$135.91	\$0.00	\$135.91
	(Excludes account transfers)	(Excludes payments to debtors)	Total Funds on Hand
Total Allocation Receipts:	\$0.00		
Total Net Deposits:	\$135.91		
Total Gross Receipts:	\$135.91		

Trustee Signature: /s/ Kathlyn Selleck Date: 10/28/2021

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